



State of Utah

Department of
Natural Resources

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Division of
Oil, Gas & Mining

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Lieutenant Governor

September 1, 2004

Mrs. Karen Palmer
Diamond K Gypsum
1720 South Red Hills Drive
Richfield, Utah 84701-7003

Subject: Acreage Exceedance, Diamond K Gypsum, DKG Quarry, M/015/041,
Emery County, Utah

Dear Mrs. Palmer:

Thank you for your letter dated August 11, 2004, discussing bonding requirements and time frames for reclamation at Diamond K's gypsum quarry in Emery county. The schedule you proposed for completing reclamation is acceptable. We assume you will be reclaiming at least 4.1 acres to reduce the number of acres disturbed to the number allowed in the reclamation contract. This will need to be completed by the last of November.

Your letter also says you are considering increasing the bond amount by \$10,000 to ensure this kind of problem does not occur in the future. The bond is directly associated with the mine plan and the reclamation contract. Even if you submit more bond than is required, the only areas allowed to be disturbed are those in the mine plan and reclamation contract.

If you had had the additional bond, the Division would probably not have conditioned your most recent approval upon reclamation of some areas and you would not have been in non-compliance when I visited the site in July. This is because the disturbed area was still within the area shown in the plan; we just didn't have enough bond to cover all of the additional area.

If you decide you need to continue mining operations within the entire area currently disturbed, or if you need to disturb additional area, we will need additional bond. If you decide to expand the operation into areas that are not currently permitted or disturbed, we will first need to receive and approve an amendment to the mine plan and update the reclamation contract.

Karen Palmer
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I hope this letter is clear. Thank you for your quick response and for your continued cooperation. Please keep me informed about your future plans, but I will assume you will be doing some reclamation between now and the end of November. I would like to watch the reclamation operation as much as possible, so please let me know once you have established more precise timeframes for reclamation. You can contact me at 801-538-5261 or by e-mail at paulbaker@utah.gov if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'P B Baker', written in a cursive style.

Paul B. Baker
Senior Reclamation Biologist
Minerals Regulatory Program

PBB:jb
cc: Dean Nyffeler, Price BLM
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